ISSN (Online) : 2279-0667

Published by:-
www.tarj.in

TRANS Asian Journal of Marketing
&
Management Research (TAJMMR)

VISION

The vision of the journals is to provide an academic platform to scholars all over the world to publish their novel, original, empirical and high quality research work. It propose to encourage research relating to latest trends and practices in international business, finance, banking, service marketing, human resource management, corporate governance, social responsibility and emerging paradigms in allied areas of management. It intends to reach the researcher's with plethora of knowledge to generate a pool of research content and propose problem solving models to address the current and emerging issues at the national and international level. Further, it aims to share and disseminate the empirical research findings with academia, industry, policy makers, and consultants with an approach to incorporate the research recommendations for the benefit of one and all.
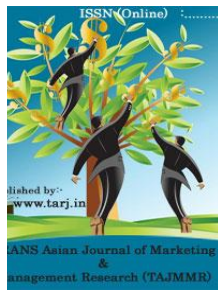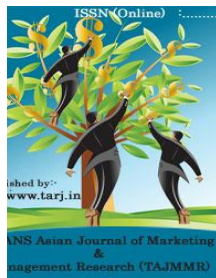
T R A N S A s i a n J o u r n a l o f M a r k e t i n g M a n a g e m e n t R e s e a r c h (TAJMMR)

(Double Blind Refereed & Reviewed International Journal)

MARKET SENTIMENTS AND TRENDS IN GROWTH OF MUTUAL FUND SCHEMES: AN INSIGHT INTO INDIAN MUTUAL INDUSTRY

Dr. Rashmi Bhargava*

* Assistant Professor
DAV Institute of Management
NIT, Faridabad, INDIA.
Email id: rashmibhargava.4@gmail.com

_____

ABSTRACT

The study shows the performance of Indian Mutual Fund Schemes in terms of number of Mutual Fund houses in India, Number of Mutual Fund Schemes category wise and portfolio wise and the Asset Under management of the Mutual Fund Schemes over the years. The time period selected for the study is 2002 till 2018.The data for this purpose is collected from AMFI for the years 2002 to 2018.Portfolio wise Mutual Funds schemes are categorised into Income, growth, balanced, liquid, gilt, ELSS and ETFs. Category wise the schemes are divided into open ended schemes, close ended schemes, Assured return and Interval schemes. The performance is studied category wise since there are times when some schemes are performing good and others are not and vice versa..Here comes the effect of market sentiments .It is analyses from the study that there is an increase in the number of Mutual fund houses and schemes in India over the period. It is also found that there is an improvement in the performance of the   Mutual fund schemes over the years. The effect of market sentiments is also seen on the performance of schemes. The tools applied for the purpose of this research is percentage method to calculate annual growth and CAGR to calculate overall growth over the years.

KEYWORDS*: Mutual Fund, Market Sentiments, Portfolio, Bull, Bear*

INTRODUCTION TO THE INDIAN MUTUAL FUND INDUSTRY

In India, the first mutual fund made its entry in 1964 when Unit Trust of India launched its Unit Scheme (US) 64. Till 1986-87, UTI was the only Institution functioning as Mutual Fund in India and its first scheme (US-64) remained the largest Mutual Fund scheme in the country. The Investible funds of UTI increased to Rs.4563.7 crore in 1986-87 from Rs. 206.8 crore in 1976-77. In 1987, the Government of India permitted Public sector Banks to launch Mutual Funds. Consequently, the period of five years (1987-92) witnessed rapid expansion of the capital markets, both in terms of the total funds raised and turnover on the stock exchanges. The total funds raised through Public Sector Mutual Funds went up to Rs. 47733.5 crore in 1992-93. The period 1987-92 is termed as the broadening base phase of Mutual Fund Industry in India. The Government of India under its economic reforms and liberalization policy allowed Private sector to enter into Mutual Funds in February 1992. The year 1993 marked a turning point in the history of Mutual Funds in India as the Securities and Exchange Board of India (SEBI) issued the Mutual Funds regulation in the beginning of this year. The cumulative resources mobilized by Mutual Funds increased to Rs. 75050.2 crores in 1994-95. The above may be attributed to the competition created due to the entry of large number of Private and Public sector mutual funds. However, the years 1995 and 1996 brought erosion in the value of investments of unit holders due to a decline in the NAVs of the equity funds. Investor's perception about Mutual Funds gradually turned negative because of the poor performance of all categories of Mutual Funds irrespective of the sector to which they were concerned. But beyond 1997, the flow of funds into the kitty of Mutual Funds sharply increased due to a more positive sentiment in the capital market, significant tax benefits, improvement in the quality of investor services, and use of better information technology.

CONCEPT OF MUTUAL FUND:

A Mutual Fund is a financial intermediary that pools the savings of investors for collective investment in a diversified portfolio of securities. A fund is "mutual" as all of its returns minus its expenses, are shared by the fund investors. Mutual fund invests in a number of companies across various industries, sectors and securities. This diversification reduces the riskiness of the investments. They make possible an organised investment strategy, which, is hardly possible for an individual investor. Besides professional management and risk diversification, Mutual Funds offer the benefits of increased liquidity, flexibility, tax benefits, transparency and stability to the stock market. On account of the numerous benefits offered by mutual funds, they have grown phenomenally.

MARKET SENTIMENTS:

Market sentiments are the subjective measure of how investors are feeling about a security or market. Because feelings sometimes change more slowly than a market's underlying fundamentals, market sentiment helps explain why securities have a tendency to become either overvalued or undervalued (www.financialdictionary.com). Some investors plan to make investment decisions in a way that disregards market sentiment, while others attempt to profit from it. It is an intuitive feeling of the investment community regarding the expected movement of the stock market. Market sentiment is the general prevailing attitude of investors as to

anticipate price development in a market. This attitude is the accumulation of a variety of fundamental and technical factors, including price history, economic reports, seasonal factors, and national and world events. For example, if investors expect upward price movement in the stock market, the sentiment is said to be bullish. On the contrary, if the market sentiment is bearish, most investors expect downward price movement.

Market sentiments and Mutual fund Performance: The performance of Mutual fund scheme is judged under different Market conditions i.e. Bull and Bear phase to evaluate the whether the fund has underperformed or over performed under different situations. Mutual fund managers design their investment strategy by assessing the market sentiments then only they would be able to successfully time the market. Successful fund managers are those who are capable of assessing correctly the direction of the market, whether bull or bear, by positioning their portfolios accordingly. If managers are expecting a declining market, they could change their portfolio suitably by increasing the cash percentage of the portfolio or by adjusting their equity investments in favor of defensive securities having lower beta. In case of a rising market, fund managers could reduce the cash position or adjust their equity portfolio in favour of aggressive securities having higher beta. By adjusting their portfolios correctly to the market timing, fund managers can generate superior returns compared to the market (Raju and Rao 2009). Mutual fund managers having good market timing abilities design the Investment portfolio pattern of the Mutual fund schemes by analyzing the sentiments. Various tools and techniques are applied to know the superiority of the schemes in relation to the other schemes in terms of judging the market timing skill of the fund managers.

LITERATURE REVIEW

Hasan (2013) discussed the performance of the Indian Mutual Fund Industry in the past and also the rate of growth it has achieved after being exposed to regulatory changes by SEBI and international factors. It was also analyzed that funds that are at least 5 years old have the ability to deliver higher than benchmark returns. He also found that the funds must have the ability to withstand market downturns better than its benchmarks.

Sekhar (2013) intended to examine the role of Mutual Fund organization in financial inclusiveness with reference to performance through public and private sector. The data for the study was collected through secondary sources. However, Unit Trust of India had shown significant growth in the year 2008-2009. Hence, according to the study, 37 organizations in mutual fund industry were working together for financial inclusion.

Umarani (2012) made an attempt to assess the growth of funds and suggested certain steps that need to be taken by all the players of the industry in a rigorous manner to create an atmosphere that will take the Indian Mutual Fund industry to its next level of growth. It was found that most of the growth in the assets under management has come not due to the increased retail participation, but due to the higher corporate investments in liquid schemes of the industry and due to the appreciation of the capital markets

Kale and Panchpagesan (2012) presented an overview of the Indian Mutual Fund Industry and the reasons for its poor penetration, which is due to the lack of objective research. It was found that the industry keeps the entire global industry as its benchmarks. The sensitivity of fund flows

to performance, and the importance of regulation to its growth have been largely under researched in India.

Sareen Prateek (2012) attempted to find out the growth in Indian Mutual Fund Industry. He studied the participation of retail and institutional investors in Mutual funds. The level of investment in Systematic Investment Plans viz a viz one time investment plan was also studied. In the study it was concluded that the Indian mutual fund industry has significantly high ownership from the institutional investors.

Geetha (2012) discussed the growth of Mutual Fund Industry in India in terms of Asset Under Management and also explained the important concepts involved in Mutual Funds. It was concluded in the study that Mutual funds in India is gaining importance because of various advantages offered by it such as diversification, regulatory oversight, choice of scheme, well regulated, no guarantees, fees and commissions and taxes.

Purandare and Mehra (2010) have assesed the key growth drivers for the industry and have identified the factors which may impede growth in the future. The study recommended that however, in order to fully establish inclusive growth, several components of such an initiative like investor awareness, broadening investor participation and product innovation need to be aligned.

Parmar (2010) evaluated the growth of Mutual Funds in India and examined the return from selected Mutual Fund schemes. Sample study period was January 2005 to December 2009. This study was completely based on the secondary data. Average, Standard deviation, beta, R squared and Sharpe ratio were used as tools of analysis The NAV of all the schemes had shown that in the January 2008 they had given highest return and in December 2008 they had given the lowest return.

Kumar, Gayatri and Kartikha (2010) analysed the objectives, challenges and opportunities of Mutual fund. They explained that the challenges of the Mutual fund Industry are leading to consolidation of the industry, pressures on margins, innovation and product differentiation and outsourcing trends. They concluded that this time is an interesting time for the industry. It is truly said that change is the only constant.

Pandey (2009) covered various aspect of mutual funds industry in India. He started the study with the basic concept of Mutual Fund and gave details about the growth of Mutual Fund Industry in India over a period of years. It also covered the different phases of growth of mutual fund industry. It was concluded in the study that Mutual Fund is gaining importance in India due to numerous advantages offered by it to the investors.

Samar (2009) analysed the growth of Mutual fund industry in India. The secondary data was collected from the websites of AMFI, Value research, SEBI and India Infoline during the study period 2008-09. Sharpe Ratio was comparatively favorable in case of ICICI Prudential balance fund.

Bodla and Bishnoi (2008) aimed to bring out the trends in Mutual Fund Industry in India. The reference period ranged from 1998–2006. The study was based on secondary data which was collected from various websites and journals. The study brought out the facts that the mutual

fund investors in India had 609 schemes with variety of features such as dividend, growth, cumulative interest income, monthly income plans, sectoral plans, equity linked schemes, money market schemes, etc. It was also highlighted that though both open-end and close-end schemes had registered excellent growth in fund mobilization, the former category of schemes is more popular among the investors. Portfolio-wise analysis has brought that income schemes have an edge over growth schemes in terms of assets under management.

Singh and Mall (2008) focussed on the growth of the Mutual Fund Industry. Growth of Mutual funds in India was studied under various parameters like Assets under Management (AUM), resource mobilized and the transactions done by the Mutual Fund Industry in the stock market. The growth of Mutual Fund Industry in India was studied from April 2000 to Dec 2007. It was found in the study that the private sector mutual funds are having a lion's share of Asset Under Management and Open-ended funds dominated the Assets under Management.

Tripathi (1996) evaluated the growth and performance of Indian Mutual Fund Industry. He found that the Indian capital market has grown tremendously during the last few years. The study also suggested some measures to make Mutual Fund Industry successful in India.

Panigrahi (1996) studied the origin and growth of Mutual Fund Industry in India. She examined that why mutual funds have prospered in the last few years, what is the extent of growth and whether the regulatory framework for their operations reflects the change in environment. The study was based on secondary data which was collected from various websites. It was found in the study that Mutual Fund has been able to attract more investors due to its tight regulatory framework.

OBJECTIVE OF THE STUDY

1) To examine the growth of mutual fund industry in India in terms of number of schemes and assets under management of various schemes.

2) To study the growth year on year and CAGR.

3) To study the pattern of number of schemes sector wise and category wise.

4) To study the effect of market sentiments on category wise and sector wise AUM.

RESEARCH METHODOLOGY

Data and its source: For the attainment of objective one of the study the data of asset under management, number of schemes and number of funds operating in India have been used. All this information has been collected from AMFI website. Quarterly newsletters have been downloaded from AMFI websites for the study period and the data is consolidated from these newsletters. The growth performance of India's mutual fund industry has been measured in terms of increase in numbers of schemes, amount of funds mobilised and assets under management.

Sample Size: The overall Mutual Fund Industry have been selected to study the growth.

Period of study: The period of study for this objective is from the year 1997-98 to 2017-18

Tools of Analysis: For the achievement of objective the data related to number of schemes and Asset under Management is collected for 17 years , the data is tabulated in various tables for the purpose of evaluating the trend in growth under different categories.

The data has been tabulated under various categories such as:

- Category wise AUM
- Portfolio wise AUM
- Category wise number of schemes
- Portfolio wise number of schemes
- Number of Mutual fund houses operating in India

Growth of Mutual Fund Industry

In India the first Mutual Fund made its entry in 1964 till 1987. UTI was the monopolist in the Mutual Fund Industry in 1987. Government of India permitted Public sector Banks to start their Mutual Funds. Then in 1992 Government of India permitted Private sector to enter into Mutual Funds. Year 1993 was marked as a turning point in the history of Mutual Funds as SEBI issued regulations for Mutual Funds. Because of these concerns the confidence of investors started increasing and investors found better and safe options of investment in Mutual Funds. It is the best suitable investment options for individuals/small investors as it provides portfolio diversification, convenience and affordability to the investors.

TABLE 1: NUMBER OF MUTUAL FUND HOUSES FROM MARCH 2002-2018

Year/Category	Public Sector				Private Sector				Total
	1	2	3	4	5	6	7	8	
2002-03	5	0	0	4	7	0	6	11	33
2003-04	5	0	0	3	8	1	5	9	31
2004-05	3	1	0	2	10	0	3	10	29
2005-06	3	1	0	1	10	0	5	9	29
2006-07	3	1	0	1	10	0	5	10	30
2007-08	2	2	0	1	11	3	5	9	33
2008-09	1	2	1	1	14	5	5	6	35
2009-10	1	2	1	1	16	5	5	7	38
2010-11	2	2	1	1	18	7	4	6	41
2011-12	2	3	1	1	18	9	5	5	44
2012-13	2	4	1	1	17	8	6	4	43
2013-14	2	4	1	2	19	7	7	4	46
2014-15	2	4	1	2	19	5	7	3	43
2015-16	2	4	1	2	18	4	8	3	42
2016-17	3	3	1	2	18	4	7	3	41
2017-18	3	3	1	2	19	4	6	3	41

Source: (Compiled From Quarterly Update, March Issue, AMFI)

Note: 1= bank sponsored, 2 =Bank Sponsored Predominantly Indian, 3 = Bank Sponsored predominantly Foreign, 4= Institutions 5= Indian, 6= Foreign, 7= JV Predominantly Indian, 8= JV Predominantly Foreign

Table 1 shows the number of Mutual Fund houses operating in India from the year 2002-03 to the year 2014-15. In the year 2002-03 the number of Mutual fund houses were 33. The number came down to 29 in the years 2004-05 and 2005-06 then, there was a continuous increase in the number of Mutual Fund houses. It can be viewed from the table that in the year 2011-12 the number of Mutual Fund houses operating in India reached to 44. In the year 2012-13 the number is 43 which grew to 46 in the year 2013-14. A downtrend could be observed in the year 2014-15,2015-16,2016-17 and 2017-18 when the number of Mutual funds operating in India came down to 43,42 ,41 and 41 respectively due to deduction in Foreign sector Mutual Fund houses operating in India.

Number of Mutual Fund Schemes

After presenting the number of Mutual Fund houses the forthcoming part is explaining the growth and trends of Mutual Fund on the basis of number of Mutual Fund schemes according to their categories and objective. The position of Mutual Fund schemes across various categories and portfolios is presented in table 2. The various categories of mutual funds include open-end, close-end and assured return schemes and interval funds. The portfolio wise classification comprises of Income, Growth, Balanced, Liquidity, Gilt and ELSS schemes. The year-on-year percentage change in number of schemes and market share has been analyzed and presented in different tables.

Hypothesis: that the number of schemes launched category wise have not grown significantly over the years.

TABLE 2: CATEGORY WISE TOTAL NUMBER AND GROWTH IN NUMBER OF MUTUAL FUND SCHEMES

	Open ended Schemes		Close ended schemes		Assured return schemes		Interval Fund schemes		Total	
Year	No.	% ☐	No.	% ☐	No.	%☐	No.	% ☐		%☐
1997-98	63		125		47				235	
1998-99	102	61.9	146	16.8	29	-38.3			277	17.87
1999-2000	168	64.7	128	-12.33	41	41.38			337	21.66
2000-01	240	42.85	118	-7.81	35	-14.63			393	16.62
2001-02	304	26.67	87	-26.27	26	-25.71			417	6.11
2002-03	329	8.22	47	-45.98	6	-76.92			382	-8.39
2003-04	363	10.33	40	-14.89					403	5.5
2004-05	403	11.02	48	20					451	11.91
2005-06	463	14.89	129	168.75					592	31.26
2006-07	486	4.98	270	109.3					756	27.7

2007-08	592	21.81	364	34.81					956	26.46
2008-09	589	-0.51	344	-5.49			68		1001	4.71
2009-10	641	8.83	202	-41.28			39	-42.64	882	-11.89
2010-11	727	13.42	368	82.18			36	-7.69	1131	28.23
2011-12	745	2.42	530	44.03			34	-5.56	1309	15.74
2012-13	751	0.8	501	-5.47			42	23.53	1294	-1.14
2013-14	777	3.46	796	58.88			65	54.76	1638	26.54
2014-15	810	4.24	1002	25.87			72	10.76	1884	15.01
2015-16	829	2.35	1513	51.00			78	8.33	2420	28.45
2016-17	829	0.00	1388	-8.26			64	-17.95	2281	-5.74
2017-18	840	1.33	1127	-18.80			31	-51.56	1998	-12.41
CAGR	13.83%		11.62%		-33.75%		-8.36%		11.30%	
Ho	Rejected		Rejected		Rejected		Rejected		Rejected	
Ha	Accepted		Accepted		Accepted		Accepted		Accepted	

Source: (Compiled From Quarterly Update, March Issue, AMFI)

** Indicates significant growth at 99 percent level of confidence

Table 2 indicates that as per the category wise classification, the total number of Mutual Fund schemes have rose from 235 in the year 1997-98 to 1001 in 2008-09. In year 2009-10, total number of Mutual Fund schemes declined to 882, but again after 2009-10 a major rise is seen in the year 2010-11, 2011-12 and 2013-14 due to introduction of many new schemes in the close-ended category and open-ended category but interval schemes, which were newly introduced, were still reducing. The phenomenon of growth of number of schemes was sustained till May 2007-08 but, due to recession a major decline was observed as the number of schemes increased by 4.71 percent in the year 2008-09 and the number of schemes have registered negative growth in the year 2009-10 and 2012-13. The growth of total number of Mutual Fund schemes has been found highest in the year 2005-06 showing 31.26 percent followed by the years 2010-11, 2006-07 and 2013-14 where 28.23, 27.70 and 26.54 percent growth is found respectively. This growth has been contributed due to a major augmentation of new schemes in the close ended category leading to the percentage change to 168.75 as compared to negative growth between 1999-2000 and 2003-04. The CAGR of close ended schemes has also been noticed higher than those of open ended category for the duration 1999-2014 but overall the CAGR of open ended schemes (16.89 percent) is found greater than the close ended schemes (14.32 percent). Interval Fund which was a new category of schemes, also appeared in the picture in the year 2008-09. This type of scheme combines the features of both open ended and close ended funds. These schemes are open for sale and repurchase at a predetermined period. There are 68 schemes of interval fund coming into the picture in the year 2008-09, but after 2008-09, a downtrend is being seen in this category. After 2009-10 till 2011-12, conducive investment climate was seen in India as many bars were raised like entry load was removed, KYC norms were made mandatory in December 2008-09 and the economy had recovered from global recession, the number of schemes in the

Interval scheme category again rose to 65 in the year 2013-14. In the 2014-15 a steep rise can be observed in case of close ended schemes where there is a rise of 25.87 percent in the number of scheme from 2013-14.In the year 2016-17 and 2017-18 a sudden decline in the number of schemes (-5,74 and 12.41 percent respectively) is observed. However, the CAGR (11.34%) and the significant values in open ended schemes are clearly indicating that the increase in number of schemes is significant over the years but in the year 2016-17 and 2017-18 there is a step reduction in close ended and interval schemes owing to positive market sentiments. Hence, the rejection of null Hypothesis is supported.

TABLE 3: PORTFOLIO WISE GROWTH OF MUTUAL FUND SCHEMES IN INDIA

Year	Income Schemes		Growth Schemes		Balanced Schemes		liquid/ money market		Gilt		ELSS		Others (ETFs and Funds of Funds)		TOTAL	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1997-98	84		74		19		0		0		58				235	
1998-99	100	19.05	83	12.16	17	-10.53	17		0		60	3.45			277	17.87
1999-00	113	13	105	26.51	23	35.29	18	5.88	13		65	8.33			337	21.66
2000-01	126	11.5	110	4.76	32	39.13	26	44.44	19	46.15	80	23.08			393	16.62
2001-02	146	15.87	114	3.64	34	6.25	31	19.23	29	52.63	63	-21.25			417	6.11
2002-03	117	-19.86	120	5.26	35	2.94	32	3.23	31	6.9	47	-25.4			382	-8.39
2003-04	131	11.97	126	5	37	5.71	36	12.5	30	-3.23	43	-8.51			403	5.5
2004-05	159	21.37	151	19.84	35	-5.41	39	8.33	30	0	37	-13.95			451	11.91
2005-06	251	57.86	194	28.48	36	2.86	45	15.38	29	-3.33	37	0			592	31.26
2006-07	367	46.22	227	17.01	38	5.56	55	22.22	28	-3.45	40	8.11	1		756	27.7
2007-08	506	37.87	270	18.94	37	-2.63	58	5.45	30	7.14	42	5	13	1200	956	26.46
2008-09	509	0.59	293	8.52	35	-5.41	56	-3.45	34	13.33	47	11.9	27	107.7	1001	4.71
2009-10	367	-27.9	307	4.78	33	-5.71	56	0	35	2.94	48	2.13	36	33.3	882	-11.89
2010-11	591	61.04	328	6.84	32	-3.03	51	-8.93	37	5.71	48	0	44	22.2	1131	28.23

2011-12	775	31.13	303	-7.62	30	-6.25	55	7.84	42	13.51	49	2.08	55	25	1309	15.74
2012-13	760	-1.94	298	-1.65	32	6.67	55	0	42	0	49	0	58	0.05	1294	-1
2013-14	1081	42.24	311	4.36	30	-6.25	53	-3.64	44	4.76	52	6.12	67	0.16	1638	27
2014-15	1249	15.54	379	21.86	25	-16.67	52	-1.89	45	2.27	55	5.77	79	18	1884	15
2015-16	1737	39.07	413	8.97	28	12.00	53	1.92	41	-8.89	60	9.09	88	11.39	2420	28.45
2016-17	1582	-8.92	420	1.69	30	7.14	52	-1.89	41	0.00	64	6.67	92	4.55	2281	-5.74
2017-18	1267	-19.91	442	5.24	31	3.33	52	0.00	38	-7.32	72	12.50	96	4.35	1998	-12.41
CAGR	14.53%		9.35%		2.48%		6.06%		6.14%		1.09%		51.43%		11.30%	
Ho	Rejected		Rejected		Rejected		Rejected		Rejected						Rejected	
Ha	Accepted		Accepted		Accepted		Accepted		Accepted						Accepted	

Source: (Compiled From Quarterly Update, March Issue, AMFI)

** Indicates significant growth at 99 percent level of confidence

Table 3 shows the Portfolio wise growth of Mutual Fund schemes in India for the period 1997-98 to 2016-17

Hypothesis: That the number of schemes launched portfolio wise have not grown significantly over the years.

It presents that the number of growth schemes rose to 194 in 2005-06 from 74 schemes in 1997-98. In the year 2013-2014, the number of growth schemes were 311 and in the year 2014-15, the number of growth schemes were 379. The growth scheme has secured the highest growth (28.48%) in 2005-2006. It was the result of bullish trend in the Indian equity market. After 2005-06, a major decline in growth rate of growth schemes was seen in 2008-09 (8.52%) owing to Bearish trend in the economy and in 2009-10 (4.78%). In the year 2010-2011, 6.84 percent growth rate was registered. In the year 2011-12 there was a downward movement till 2012-13. Positive growth rate was observed in the year 2013-14 (4.36 %) and in the year 2014-15 (21.86 %). Year 2014-15 registered a robust growth in Growth schemes owing to positive market sentiments. By looking into the income schemes which have enjoyed maximum share, lost their glow in the year 2002-03 where number of growth schemes (120) were more than income schemes (117). From the year 2003-04 an upward trend could be seen in the income schemes till the year 2008-09 after which the scheme got a major setback when the number of income schemes came down by 27.9 percent in the year 2009-10, but they again gained a ground in the market during the year 2010-11 when the number of income schemes grew by 61.04 percent. The impact of bear and bull market can be clearly observed from these trends.

Balanced schemes are the schemes that seek to maintain a balance between growth and regular income. In contrast to growth and income schemes, the balanced schemes have faced the uncertain and volatile scenario in terms of the growth in number of schemes. The number of schemes declined sharply in the year 1998-99 which increased appreciably in the year 1999-2000. These schemes have encountered a negative growth from the year 2009 to 2015.Again a

trend reversal is observed in the year 2015-16 when the increase in number of growth scheme became higher than increase in income scheme.

CAGR of Income schemes (14.53 %) is found better than the growth scheme (9.35%). But in the years 206-17 (8.92 %) and 2017-18 (19.91 %)there is a steep reduction in number of income schemes which means that the trend may reverse. The values of CAGR regarding income, growth, liquid and ELSS schemes support the rejection of null Hypothesis.

Assets under Management

Another measure of the performance of mutual fund is assets under management (AUM). This section attempts to bring forth analysis the category-wise, and type-wise AUM of Mutual Fund in India.

Category wise Asset Under Management: **After analysing sector wise AUM of Mutual Funds, table 4 exhibits data on the Asset Under Management according to category of Mutual Fund schemes. The data is examined and tabulated in table 5. The testable Hypothesis under this section is that there is no significant increase in category wise Asset Under Management over the years.**

TABLE 4: CATEGORY WISE ASSET UNDER MANAGEMENT (AMOUNT IN CRORE RUPEES)

Year	Open ended Schemes		Close ended Schemes		Assured return schemes		Interval Fund		Total	
	AUM	**% ▯**	**AUM**	**% ▯**	**AUM**	**% ▯**	**AUM**	**% ▯**	**AUM**	**% ▯**
1998-99	37240		16439		14793				68472	
1999-2000	68833	84.84	21608	31.44	22564	52.53			113005	65.04
2000-01	57293	-16.76	13613	-37	19681	-12.77			90587	-19.84
2001-02	71938	25.56	10977	-19.36	17679	-10.17			100594	11.05
2002-03	75071	4.35	4033	-63.26	360	-97.96			79464	-21.01
2003-04	134523	79.19	5093	26.28					139616	75.7
2004-05	137983	2.57	11571	127.19					149554	7.12
2005-06	193713	40.39	38149	229.69					231862	55.04

Year	AUM	%	AUM	%			AUM	%	AUM	%
2006-07	217417	12.24	108971	185.65					326388	40.77
2007-08	369239	69.83	135913	24.72					505152	54.77
2008-09	325161	-11.94	89249	-34.33			2890		417300	-17.39
2009-10	532886	63.88	65519	-26.59			15574	438.89	613979	47.13
2010-11	447196	-16.08	126897	93.68			18157	16.58	592250	-3.54
2011-12	441610	-1.24	137634	8.46			7973	-56.08	587217	-0.85
2012-13	573201	29.8	120652	-12.34			7590	-4.8	701443	19.45
2013-14	620317	8.22	192899	59.88			12024	58.42	825240	17.65
2014-15	910077	46.71	164344	-14.8			8366	-30.42	1082757	31.2
2015-16	1053762	15.79	171235	4.19			7827	-6.44	1232824	13.86
2016-17	1573929	49.36	176743	3.22			4584	-41.43	1755256	42.38
2017-18	1944215	23.53	187392	6.03			4,429	-3.38	2136036	21.69
CAGR	23.14%		13.66%				4.86%		19.85%	
Ho	Rejected		Rejected						Rejected	
Ha	Accepted		Accepted						Accepted	

Source: (Compiled From Quarterly Update, March Issue, AMFI)

** Indicates significant growth at 99 percent level of confidence

It is depicted from table 4 that Open-end schemes have registered a compounded annual growth rate of 23.71 percent in their AUM. The year-on-year growth in AUM of open-end schemes was found the highest (79.19%) in 2003-04 followed by 2007-08 (69.83%). On an overall basis 2008-09 has registered a sharp decline owing to bearish market sentiments in the market whereas year 1999-2000, 2003-04, 2005-06, 2006-07, 2007-08, 2009-10 and 2014-15 have registered a very high growth in terms of AUM due to Bullish Market sentiments prevailing in the economy. Again a sharp increase is seen in the year 2013-14 where the growth in AUM of closed ended scheme is 59.88 percent. Similarly in case of open ended category, a sharp increase can be seen in AUM in the year 2014-15 where AUM increased by 46.71 percent. AUM observed a sharp decline in the year 2015-16 which again went up in the year 2016-17.But there is a sudden decline in the percentage change from 2016-17(42.38%) to 2017-18(21.39 %) in total AUM. To

conclude it can be mentioned that the Asset Under management of category wise schemes has increased over the years.

 Portfolio wise Asset Under Management: The current section presents the portfolio wise share of schemes in Asset Under Management. The data is presented in table 5. Regarding this table the Hypothesis is that the portfolio wise share in Asset Under Management of Mutual Fund scheme has not increased significantly over the years.

TABLE 5: PORTFOLIO WISE SHARE IN ASSET UNDER MANAGEMENT (AMOUNT IN CRORE RUPEES)

Year	Income Schemes		Growth Schemes		Balanced Sch.		Liquid Sch		Gilt		ELSS		Gold ETF,		TOTAL	
	Amt.	%☐	Amt.	%☐	Amt.	%☐	Amt.	%☐	Amt.	%☐	Amt.	%☐	Amt.	%☐	Amt.	%☐
1998-99	48372		14622		1909		1092		-		2477				68472	
1999-00	48004	-0.76	30611	109.35	26757	1301.62	2227	103.94	2370	-	3036	22.57			113005	65.04
2000-01	48863	1.79	13483	-55.95	19273	-27.97	4128	85.36	2317	-2.24	2523	-16.9			90587	-19.84
2001-02	55788	14.17	13852	2.74	16954	-12.03	8069	95.47	4163	79.67	1768	-29.92			100594	11.05
2002-03	47564	-14.74	9887	-28.62	3141	-81.47	13734	70.21	3910	-6.08	1228	-30.54			79464	-21.01
2003-04	62524	31.45	23613	138.83	4080	29.89	41704	203.66	6026	54.12	1669	35.91			139616	75.7
2004-05	47605	-23.86	36711	55.47	4867	19.29	54068	29.65	4576	-24.06	1727	3.48			149554	7.12
2005-06	60278	26.62	92867	152.97	7493	53.96	61500	13.75	3135	-31.49	6589	281.53			231862	55.04
2006-07	119322	97.95	113386	22.1	9110	21.58	72006	17.08	2257	-28.01	10211	54.97	96		326388	40.77
2007-08	220762	85.01	156722	38.22	16283	78.74	89402	24.16	2833	25.52	16020	56.89	747	50.6	505152	54.77
2008-09	197343	-10.6	95817	-38.8	10629	-34.72	90594	1.33	6413	126.37	12427	-22.4	4077	81.68	417300	-17.3

		1		6								3				9
2009-10	311715	57.96	174054	81.65	17246	62.25	78094	-13.8	3395	-47.06	24066	93.66	5409	24.62	613979	47.13
2010-11	291975	-6.33	169754	-2.47	18445	6.95	73666	-5.67	3409	0.41	25569	6.25	9432	42.65	592250	-3.54
2011-12	290844	-0.39	158432	-6.67	16261	-11.84	80354	9.08	3659	7.33	23644	-7.53	14023	32.74	587217	-0.85
2012-13	395985	36.15	149777	-5.46	16307	0.28	93392	16.23	8074	-99.9	22731	-3.86	15177	8.22	701443	19.45
2013-14	461550	16.56	165560	10.54	16793	2.98	133280	42.71	6115	120.66	25547	12.39	16395	8.02	825240	17.65
2014-15	516951	12	305669	84.63	26368	57.02	162562	21.97	14614	-24.26	39470	54.5	17123	4.44	1082757	31.21
2015-16	567189	9.72	344707	12.77	39146	48.46	199404	22.66	16306	11.58	41696	5.64	24376	42.36	1232824	13.86
2016-17	749691	32.18	482183	39.88	84763	116.53	314086	57.51	14875	-8.78	61403	47.26	51663	111.94	1758664	42.65
2017-18	788021	5.11	669207	38.79	172151	103.10	335525	6.83	11404	-23.33	80,583	31.24	79145	53.19	2136036	21.46
CAGR	15.82%		22.29%		26.74%		35.18%		9.12%		20.11%		84.12%		19.85%	
Ho	Rejected		Rejected		Rejected		Rejected		Rejected		Rejected		Rejected		Rejected	
Ha	Accepted		Accepted		Accepted		Accepted		Accepted		Accepted		Accepted		Accepted	

Table 5 throws light on the Portfolio wise AUM. It is evident that during 2014-15, the AUM is the highest for income/debt-oriented schemes (Rs. 516951 crores) while the AUM under growth/equity-oriented schemes is Rs. 305669 crores. In the year 2011-12 poor earnings season, downgrade of banks by Moody's, huge current account deficit and depreciating currency have played spoilsport. In terms of growth in AUM, in the year 2012-13 there was still a negative growth (-5.46 %) in the growth scheme which became positive in the year 2013-14 (10.54 %). In the year 2006-07 and 2007-08, when the entire economy was enjoying the fruits of Bullish Market, in the Mutual Fund market also the AUM rose by 40.77 percent and 54.77 percent in the year 2006-07 and 2007-08 respectively. The AUM decreased by -17.39 percent from 2007-08 to 2008-09 owing to Bearish Sentiments prevailing in the Market. In the year 2009-10 when the economy was again witnessing Bullish run, the AUM rose by 47.13 percent. A similar trend could be observed in the year 2014-15 when due to Bullish trend the total AUM of Mutual Fund Industry rose by 31.21 percent. In the year 2016-17 there was a steep increase in AUM except

Gilt schemes which has again came down touching its previous percentage increase in the year 2017-18.But overall there is an increase maintain overall CAGR at 19.85 percent.

CONCLUSION AND FINDINGS

There is a phenomenal growth in Mutual Fund Industry. The numbers of mutual funds schemes, with various features, have risen to 1998 in 2017-18 from 235 in 1997-98**.** The effect of market sentiments is seen in the growth in the number schemes and its AUM. Close ended schemes have regained their charm which were not getting attraction during the years between 2003-04 to 2016-17. In the year 2013-2014, the number of growth schemes was 311 and in the year 2014-15, the number of growth schemes were 379. By looking into the income schemes which have enjoyed maximum share, lost their glow in the year 2002-03 where number of growth schemes (120) were more than income schemes (117). From the year 2003-04 an upward trend could be seen in the income schemes till the year 2008-09 after which the scheme got a major setback when the number of income schemes came down by 27.9 percent in the year 2009-10, but they again gained a ground in the market during the year 2010-11 when the number of income schemes grew by 61.04 percent. Balanced schemes are the schemes that seek to maintain a balance between growth and regular income. In contrast to growth and income schemes, the balanced schemes have faced the uncertain and volatile scenario in terms of the growth in number of schemes. The number of schemes declined sharply in the year 1998-99 which increased appreciably in the year 1999-2000. These schemes have encountered a negative growth from the year 2009 to 2017. CAGR in respect of number of schemes, AUM category wise and portfolio wise was grown significantly over the years referred under study. Hence it can be concluded that Mutual Fund Industry has a significant growth trend in various terms.

The effects of Market sentiments could be clearly observed in the AUM of the schemes. In the year 2006-07 and 2007-08, when the entire economy was enjoying the fruits of Bullish Market, the Mutual Fund market also was flourishing as the AUM rose by 40.77 percent and 54.77 percent in the year 2006-07 and 2007-08 respectively. The AUM decreased by -17.39 percent from 2007-08 to 2008-09 owing to Bearish Sentiments prevailing in the Market. In the year 2009-10 when the economy was again witnessing Bullish run, the AUM rose by 47.13 percent. A similar trend could be observed in the year 2014-15 when due to Bullish trend the total AUM of the Mutual Fund Industry rose by 31.21 percent.
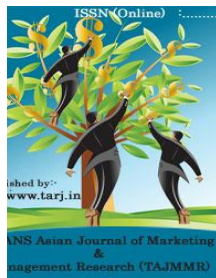
REFERENCES

- Aggarwal Deepak (2007), "Measuring Performance of Indian Mutual Funds", www.ssrn.com (id 1311761), Finance India, June 2011.
- Bodla B. S. and Bishnoi Sunita (2008), "Emerging Trends of Mutual Funds in India: A Study across Category and Type of Schemes", The Journal of Indian Management and Strategy 8 M, Vol 13, Issue 1, pp: 15-27, ISSN: 0973-9335.

- Geetha (2012), "Mutual funds in India", IJMFSMR, Vol. 1, No 2, February 2012, ISSN No 2277 3622, pp: 49-60.

- Hasan Jafri Arshad (2013), "The Performance Evaluation of Indian Mutual Fund Industry: Past, Present and Future", I.J.E.M.S., VOL. 4 (2), 2013, pp: 223-226.
- Kale Jayant R and Panchapagesan Venkatesh (2012), "Indian Mutual Fund Industry: Opportunities and Challenges", IIMB Management Review (2012) 24, pp: 245-258.
- Kamiyama Tetsuya (2008), "India's Mutual Fund Industry", www.ssrn.com (id: 1103758), Nomura Capital Market Review Vol.10 No.4, pp: 57-72.
- Kumar G. Lenin, Gayathri S. and Kartikha S. (2010), "Mutual Funds in India-Emerging Prospects, Issues and Challenges", ssrn.com(id 1634302).
- Mondal Samar (2009), "Growth of Mutual Fund in India with Comparative Performance Analysis with SBI equity & ICICI Prudential Mutual Fund", ssrn.com (id 1970256).
- Pandey Anoop (2009), "Mutual fund Industry – Analysis and recent trends", sage journals, (http://abr.sagepub.com/content/7/2/60.abstract).
- Panigrahi Madhu S (1996), "Mutual Funds: Growth, Performance and Prospects", Economic and Political Weekly, Vol. 31, no 12.
- Parmar Chetna (2010), "An Empirical Investigation on Performance of Mutual Fund Industry in India", Saurashtra University Theses Service (ssrn id: 11821437).
- Purandare Jairaj and Mehra Gautam (2010), "Indian Mutual Fund Industry - Towards 2015 Sustaining Inclusive Growth – Evolving Business Models", CII 6th Mutual Fund Summit 2010.
- Sareen Prateek (2012), "Scope and Growth of Mutual Funds in India", http://www.studymode.com/essays/Scope-of-Mutual-Fund-In-India-933712.html.
- Sekhar and Satya G. V. (2013) "Role of Indian Mutual Funds in Financial Inclusion: Public Vs Private Sector." Journal of Business and Management Sciences 1.1 (2013), pp: 4-9.
- Singh Anand and Mall C. P. (2008), "Mutual Fund Industry in India: Recent Trends and Progress"," httpwwwsmvaranasi.com.
- Tripathi Nalini Prava (1996), "Mutual Fund in India: A financial Service in Capital Market", Finance India Vol X No.1, 1996, Pages 85-91.
- Umarani M.B. (2012), "Growth of Indian Mutual Fund Industry in the Past Decade", IOSR Journal of Business and Management (IOSR-JBM) ISSN: 2278-487X. Volume   6, Issue 2 (Nov. - Dec. 2012), PP 27-29.

WEBSITES:
- www.amfiindia.com
- www.mutualfundindia.com
- www.moneycontrol.com
- www.rbi.com
- www.sebi.com
- www.bseindia.com
- www.nseindia.com
- www.ssrn.com

APPLICATION OF SEGMENTATION, TARGET AND POSITIONING IN TOURISM MARKETING

Dr Ashish Sharma*; Dr Hitendra Bargal**

* Sr Assist Prof Principal,
University Institute of Management Patel College,
R.D. University Indore,
Jabalpur, INDIA.
Email id: dr.ashu72@gmail.com

**Professor,
Patel College, Indore, INDIA.

_____

ABSTRACT

Background Research has discussed the role of S, T, P in the field of Service Marketing. The continuity of the Strategic Marketing approached has taken over the contribution of S,T,P in conceptualizing and designing Tourism Product. The existing Research and the gaps will be analyzed The Role of S,T,P and its contribution on development and defining Strategic aspect will be Research Problem area. .The Exploratory and Descriptive Approach of Research Design will present in form of attribution clarity on the Perceptual and Learning from Tourist and Prospective Tourist. The insight will be collected from 638 Respondents on Multiple classification basis. The Tourist and agencies will be in sample units. The scientific method for the selection of respondents will be adopted. The data collection will be done through Agency and Tourist separately. The Data Tabulation, Editing and appropriate restructuring will be done accordingly. The data Analysis will be conducted with preliminary analysis the inferential analysis will also be taken on Statistical Analysis. The Research will present facts and figure about responsible factors for the operation of S, T, P in Tourism Marketing. The suggestive pathway will be in picture for adoption of S, T,P.

KEYWORDS*: Conceptualizing, Perceptual, Exploratory, Inferential,*

INTRODUCTION

Cohrane (2007) has written about that. Tourism in Asia taking new shapes and growth. Asia to increased global as per published paper sassen (2002) due to connectivity and Communication the Tourism behaviour is also preferring to change. Today's Tourist has an open vision and choice to decide the Behaviour. The past Behaviour has very little role to decide in the modern situation- Rizvi (2009) has presented Tourism as a reflection of consumption trend. The rise in the income status is also a promotion contributor. The tourism behaviour is also a life-style indictator. The understanding of the Tourism Behaviour plays a key to sources for Tourism Planners and Strategy Designers.

The Indian Tourism behaviour is having many indicators and observational facts. The Tourist in global scenario and Tourist in Indian scenario have started giving some similarity of behavour. The volume of Indian tourist behaviour may be quite low but this an indicative behaviour. Litvin and Crofts of Hefner (2004) has explained about the influence of culture on tourist. The role of national culture may be an indicative of behavour on Tourist. Hofstede (2001) has defined about the uncertainty avoidance which reflects Tourism Behaviour. This paper will examine the scope of mutual impact of Segmentation, Target and positioning on other active and nonactive variables of Tourism Behaviour.

TOURISM AS SERVICE MARKETING

There are some key differences exist between products and services. As per scholars (Regan; Rathmell; Shostack; Zeithaml et al. in Wolak, Kalafatis, & Harris, 1998) status of services is:

1. Intangible

2. Heterogeneous

3. Inseparable

4. Perishable

The detail explanations are as follows

Intangibility

Tangible goods are ones the customer can't watch, feel taste. Customer may have no idea in this regard. **The customer will not have any existence before the intangible feeling will be there in the form of tourism.**

Heterogeneous

Difference will be in presentation of location, time management, ambience, amenities etc. Service quality level may be differ in the different service provider levels. The grading may differ in this regard. The heterogeneous is the normal feature. The different tourist service providers may have different exposure in this regard.

Inseparability

The physical good may have long ownership for years. buta service is produced and consumed at the same time. A service exists only till the time they have possession of service. The same feature is applicable in tourism.

Perish ability

Services and experiences cannot be stocked; they are perishable in action .Goods may be stocked in warehouse, or a store until bought. The tourism service also work in this manner.

Planning for Services Marketing

To make sure effective performance of Tourism services, Tourism Marketers have to apply for marketing planning system. The tourism marketing is key to success. This requires   right activities for specific markets, anticipating activities, measure of success (Morrison 2010). Tourism Marketers may follow PRICE CONCEPT

- P: plan

- R: research

- I: implement

- C: control

- E: evaluate

8 Ps of Services Marketing

8Ps are the best tools to describe status of Service Marketing. 8Ps describe the staus of service Marketing. The traditional M arketing works with 4P ie Product Price, Promotion and Place. The other Ps expand the scope of service Marketing.

Morrison (2010) explains the scope of Service Marketing.

- Product: the range of Tourism service portfolio for customers

- Place: how the services will be distributed in market, channel and partners Promotion: Concept to promote tourist destinations

- Pricing-Charge for providing tourist services

- People: Training and Development of Employees. Efficiency enhancement in employees.

- Programming: customer-oriented mindset

- Partnership: CRM and ECRM activation for customer relationship.

The Management may try to develop customer focused attitude within the employee. The concept of Management Development Programme and Executive Development Programme can be organized at regular interval.

- The planning system in tourism should be taken as the concept of demand and supply. The demand and supply may have their own dynamics. The demand factors are international and

domestic tourist markets. The local residents who consume tourist attractions, facilities and services are also demand factors. The supply factors are tourist attractions , tourist activities, tourist residential facilities, tourist services etc.

- Tourist attraction includes following aspects

- Natural

- Cultural

- Special

Natural aspects include Parks, Zoos, Botanic gardens etc. Accommodation includes hotels, resorts, guest house and other tourist related stay places. The travel hostels are also the place can be thought of. The railway stations also have dormitory facilities which can be economical for tourist. The other category of tourist facilities and services are tour planning, tour operations like ticket booking, restaurants, shopping, Banking, ATM facilities, Money exchange center, medical, communication facilities and transportation pools. These supply factors may be termed as tourism product. To work with these factors infrastructure is a core requirement. Tourism infrastructure includes transportation (Airport, Railway station, Bus terminals and harbours), Electricity, sewage, waste disposal system etc.e

The tourism authorities may plan these activities. The tourism authorities may incorporate planning activities. The activity planning may be thought by adoption of POSDCORB MODEL

PLANNING

ORGANISING

STAFFING

DIRECTION

COORDINATION

REPORTING
BUDGET

Tourism planners may adopt national, regional and local level planning. The National, regional and local authorities may be deputed. The authority could adopt Implementation of Tourism planning is also a big challenge. Authors have identified few approaches in beginning like product market options and systematic review etc for implementation. Ogilvie, 1933; Alexander, 1953 have mentioned about the measurement of economic status as are selt of implementing tourism planning. The tourism planning was in major shape of destination planning. Economic status is easy to measure. Latter on it was thought of to include social and environmental impact. Ogilvie, 1933; Alexander, 1953 have published te research on this aspect.

Local Govt role is also very important. The optimum efforts placed by local Govt bring significant result in this regard. Impacts (Mathieson and Wall, 1982; Archer and Cooper, 1998; Kontogeorgopoulos, 1998 have presented the significance of local Govt efforts for the promotion of Tourism Industry. Private sector has also being identified as the important factor for te

promotion of Tourism Industry. Hawkins (1992) has mentioned about the decision of many govt to include private sector for growth status of tourism sector. Though the interest of Private sector was mostly in to the short term gains. They have little interest towards social cultural and environmental aspects. Seth (1995) has written about this. Jenkins (1994) have mentioned importance of non commercial aspects. Subject to this these issues have been highlighted.

Planning brings benefit for the people. People should be given chance in planning. Involvement of people bring consensus among the people about their want.If local residents are involved in planning and development decisions they also understand the benefits of tourism. This way tourism can earn more support. The approach to plan at national and regional level is to appoint steering committee. The committee will give guidance to planning team and will keep review on planning efforts. The committee will draft different suggestions and reports. The steering committee will consist of Govt representatives, private sector members, community people and religious people. The committee can also do open hearing. The committee can give opportunity to prepare and express opinions about planning

The seminars can be organized to know mutual ideas between national planners and local participants. Such seminars give publicity to ideas and create community participation. In a big country plans are prepared by central authority with the help of local participants. This can be called top down approach. Another approach is bottom up approach. This involves meeting with local and district people. This approach gives ideas at various levels. The approach consumes energy and time. The combination gives best result.

The emergence of information technology has redeveloped the communication system by developing it quicker , wider and in the reach of almost everybody. Internet has gifted vast opportunity in all fields for instance like business, entertainment, networking and social contacting. The internet has given more chance to connect between people and world. The advent of internet is a major boon to none other than Marketing. The Marketing is more closure to people. Internet is also more closure to people. Marketers are advised to be more careful at the time to design the brand message. It is a fact that internet has given more decision making choice to customers. El-Ansary, Frost & Strauss 2006, 315-317.)

ONLINE PROMOTION

Online promotion is a part of marketing mix which covers by internet advertising, online branding, e-mail, direct marketing, sales promotion, and customer support activities.

Online promotion is a part of the marketing mix, including internet advertising, internet branding, e-mail, direct marketing, sales promotion, and customer support through the internet. Internet supplies information to million of clients in a cost effective and in low labour cost. Promotion via internet provides wide opportunities to consumers and marketers too. Internet can give correct information like magazine ads, TV Ads, printed brochures. Site has no problem of space limit as a web tool. Company can offer information such as best attractive place, local culture, weather information, and price and time schedule. The online promotion is flexible medium in comparison to traditional media. The Electronic billboard, electronic advertisement and electronic catalogue has more space editing facilities in very less cost or no cost. It can offer more information in no extra cost and feedback system. Promotion through internet brings

several benefits and profits to the consumers and to the marketers, too. Ethical and legal issues are considered and highlighted while promoting via internet. Internet can provide information as correct and detailed as a brochure, (Lui 2000)

OTHER WAY TO PROMOTE

Tourism Marketing

Search- engine optimization website can be created. This will help in search of local attractions, special events and package deal. You get a chance to obtain soft copy of tourism guide. This will be better than hard copy. This will give specific information to traveler.

Pricing should also be included on websites. People who are looking to price they will have an option. They can book the travel plan. If the decision making plan is not included than we loose the business. Online business can increase travel chance.

Off-Season Promotions

Local hotels and restaurants can be kept together on deals. Package deals should have hotel discount and other better offer.

Specialty meals can be offered at any local restaurants. This may include visit to local places for brewery or winery. Breakfast and Bed facilities can put together.

Event Promotions

Any local event can be organized annually or at weekend. Event promotion can be done at off-season. This can generate extra income. Some of the events can be only organized if there is proper infrastructure to support

Tourist Learning for segmentation, Target and Positioning –Tourist learning may be a set of opportunity for Travel planners that how can they promote Tourism on the basis of learning impact Falk & Benk Ckendr off (2012) has described learning as highly personal and influenced by needs and exportations. Versichele & Weghe (2014) promoted factors of association and dvisualization for tourist learning. Andererk & caldwell (1994) has promoted impact of segmentation approach on Tourist behavour between vacationers and non vacationers Kercher & Cros (2002) have mentioned the role of activities in cultural tourism. This develops insight in the form of learning for various tourist.

Cook, MSU & Marqua (2014) have demonstrated the role of tourism of hospitality learning for students.

Smooching, Alstair M, Joseph (2008) have evaluated attractiveness of Tourism market by statistical analysis.

Chacko (1996) has described about positioning process for Tourist destinations Wymer & Findley (2010) have mentioned about role of sensation for

consumer innovativeness of target market Cleaner, Muller and Ruys (1999) have discussed about the factors for senior citizen travelers of US.

The collaboration and cooperation also plays on important role for Tourism Stakeholders. Stakeholders orientation plays an important role. Ibrahim & Gill(2005) have discussed about positioning strategy based on perceptions. Destination Managers may improve their images by collecting perception details of local residents. Beerli (2004) has written about geographical focus of tourism. Leep (2008) has mentioned about the safety issue. Safety problem plays important role

METHODS.

The Review of Literature has given some valuable inputs. The past published research have indicated some indicators which can be guidance factors for this Research problem.

The past Research have spoken about following variables which are the indicative of Tourist Behavours. They are as following.

Mean expenditure

Expenditure risk

Segment size

Sports Tourism

Market segment size

Market potential

Destination Image

Attitude

Motivation

Satisfaction

Volunteer Tourism

Researcher will address to these variables along with new variables which will be collected at primary research level. The Researcher at this level decided to go for the Grounded theory concept. This will be under Qualitative Research Design. Grounded Theory work for inductively collection of data. Gloser and strauss (1967) have worked with phe Grounded Theory.

SAMPLING-

Researcher has used Qualitatively method. The survey was design in semi structure manner. The Random sampling method was applied for Respondent selecting.

Research Area- Jabalpur city has been divided in to zones. Then with the Random selection of offices, Malls, Railway station etc. Respondents have been Selected as research units.

Construct Development.

Researcher has worked with 148 respondents who were agreed to give response. The researcher has interviewed the respondents. The contents have been developed in following manner.

S. No. I order II order III order

1. I always want to travel for religious place

Tourist vision Tourism product planning

2. I am unable to decide because family has a different choice.

3. I believe to travel only once in a year

4. I am confused to decide about place.

5. The Attraction is not like previous

6. The expenditure stops me for tourism

7. Tourism is not for poor and middle class Indian family Tourist motivation Tourism

Behaviour

8. Not able to get free time

9. Not a priority

10 Festival is the only occasion to visit

11. Each Tourist has a different

Demand

12 I have now understood about Tourism importance Tourism Segmentation Tourism Image

13. I am worried about travel problem

14 I am not sure about safe and economical stay arrangements

15. I have a desire to stay at costly and branded image place.

16. The Destination Image is a decision factor

17 The proper communication also

prepares the mindset for travel decision Tourism Education

18. The age wise also decision differs for Tourism

19. I prefer to visit Tour planner website

20. The travel comfort also helps in taking decision.

21. Social reasons also helps about tourism.

22. The psychology also changes with tourism.

23. The Gender difference also plays an important role for Tourist division.

24. The group Tourism also plays an important reason Tourism Image

25. Tourism can be enjoyed along with

Business Trips

26. The children educational schedule also decides the Tourist plan.

27. The Urban and Non Urban have different tourist approach

28. Some Time prefer for Adventure Tourism.

29. Tourism agencies are not professional in approach.

30. Self motivation keeps the Tourism behavour high.

DATA COLLECTION.

Tourism Expenditure.

S.N.

1. Major issue 70%

2. Minor Issue 30%

The majority start considering important issue.

Segment size.

S.N.

1. Important 67%

2. Non Important 33%

The size is also an important factor

Destination image

S.N.

1. Yes 66%

2. No 34%

The Destination image is an important factor.

Tourism Education

S.N.

1. Some new methods required 76%

2. Existing are OK 24%

Tourism education is an important factor

Discussion and Findings

Tourist Vision :

Different Tourist are having their own vision. They decide as per their own and some time they travel always or once in a year. They may have no understanding of Tourism.

Tourist Motivation:

In present situation middle and poor class are not so motivated for Tourism. The only opportunity may religious Tourism. Now there is also a change.

Tourism Education:

Tourism can be taught in school & college. The public can be made aware about the benefits of Tourism. The age wise information may be useful to decide about Tourism, socially the person can be convinced for Tourism as per belonged social class.

Tourism segmentation.

Tourism have a sign of segmentation. The tourism motives, thought personality have been emerged as tool to deside segmentation and target. Segmentation and target are clearly indicative to be adopted.

Tourism Image:

The image is an important factor. The positioning of the destinations become observational fact for decision. The decision to promote destination may give result.

Tourism Product Planning:

As the companies do product planning. The Tourism can also be planned as per product planning. The observational facts are indicative where Tourism can be prepared as per product, price, promotion and place. Service quality norms can be instrumental in this regards.

Tourism Behaviour :

The attitude, motivation and learning are observed as behavior. Which can be defined in he process.

Tourism positioning: The communication process can be a process by which positioning has been created in the mindset of Tourism.

Suggestive Framework: Tourism and hospitality industry can follow following Tourism vision Tourism Tourism segment

Tourism Motivation Product Target Positive

Tourism Motivation Tourism

Tourism Segmentation Motivation

Tourism Education Tourism

Tourism image Positioning

REFRENCES

Essam Eibrahim Jac qreilve Gill (2005) A positioning strategy for tourist destination based on analysis of and consumer perceptions and satisfaction, Marketing intelligence planning travels motive reasons. Tourism recreation Research 24 (1) PP 5-11.

Cook, RA, HSUCH & Margua JJ (2014) Tourism & business of hospitality and travel USA, Pearson. Vol 23, PP 172-198

Chacko, HE, 1996 positioning tourism destination to gain a competitive edge Asia pacific journal of Tourism Research (2) PP 69-75.

Wymer. Ir. W.W. Self D.R. and Findley C.S. 2010 sensation seakers as a forget market for volunteer tourism services marketing quarterly 31(3) PP 348- 362.

Clever M, Muller TE, Ruys HF weis Tourism product development for the senior market based on Kafhleen L Andeserk, Lindac Caldwell variable selection in Tourism market segmentation models to JOTR oct 1 1994, 359-72

MC Korcher B HO PS, Cros H.D. and SO Ming BC 2002, Activities based segmentation of cultural Tourism market JOTTR 12 (1) PP 23-46.

John H Falk A Pierre Ben Kandroff & Annals of Tourism Research. Volume 39, APR 2012 PP 908-927

Verischele M, Degroote L, Bouuaret, M.C. Neutens

T Moerman I, and Vandeweche N 2014. Pattern mining in tourist alteration visits through association rule learning on bluetooth tracking date A case study of grant.

Belgium, Tourism management 44 PP 67-81.

Cochrane 2009 Tourism Research Int J-Tourism Res 6-29.

Asian Tourism, Evronbh and change Rontledge.

Sassen saskia (2001). The global city- New York London, Tokyo,

Princefon University press originally published in 1991 (Chapter 2 and 5)

Faizal Rizvi (2009) Towards cosmopolitan learning, Discourse studies in the

cultural politics of education volume 30-2009 PP 253-268.

Stephen W Litvin, Johnc cotts and Frank L Hefner (2004)

Cross cultural Tourist Behaviour a Replication and extension. Involving

Hofstede Uncertainly Avoidance Dimension. International Journal of Torism Research 6-9

Morrison, A. (2010), Hospitality and Travel Marketing, Fourth Edition. Albany, NY: Delmar Cengage Learning.

Lui, Z. 2000. Internet Tourism Marketing: Potential and Constraints. University of Strathclyde, UK. Available:

Asunciòn BeerliJosefa D Martín Annals of Tourist Research Volume 31, Issue 3, July 2004, Pages 657-681

Leep, A 2006, 'Residents' attitudes towards tourism in Bigodi village, Uganda', Tourism Management, vol. 28, no. 3, pp. 876-85.
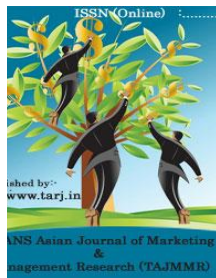
T R A N S   A s i a n   J o u r n a l   o f   M a r k e t i n g   M a n a g e m e n t   R e s e a r c h   (TAJMMR)

(Double Blind Refereed & Reviewed International Journal)

SERVICE QUALITY PROVIDED BY THE TRAVEL AGENTS: AN ASSESSMENT REPORT ON PUNJAB STATE.

Raju Rosha*; Dr. Navdeep Kaur**

*Research Scholar,
I.K. Gujral Punjab Technical University,
Jalandhar, Punjab, INDIA.
Email id: raju.rosha@gmail.com

**Associate Professor,
Department of Business Administration,
Guru Nanak Dev Engineering College (**GNDEC**)
Ludhiana, Punjab, INDIA.
_____

ABSTRACT

Land of five rivers, Punjab is situated in the northwestern corner of the India. There are 25,000 travel agents in Punjab doing business of $ 600 million/year. Research study was aimed to gain an empirical understanding for service quality gap between expectation and perception level of customers in the service provided by travel agents. This study employed a descriptive single cross sectional design and questionnaire was considered an appropriate approach to collect the data. The sample size of 1000 was selected by convenience sampling procedure. The data were collected in the state of Punjab only. This may limit the generalizations of the research findings to the travel agents of other states of India. In totality, this study contributes for the establishment of new theories, and concepts with reasonable degree of certainty.

KEYWORDS: *Punjab, GAP, RATER Dimensions, SERVQUAL, Travel Agents, Satisfaction, Perceptions, Behaviour Intentions,*

INTRODUCTION

Services are everywhere (Hoffman & Bateson, 2011). Many researchers and scholars have shown an interest in an assessment of service quality in travel agents service sector (Foster, 1997; Hossan, 2012; Mohamed, 2007; Olorunniwo & Hsu, 2006; Stickdorn & Zehrer, 2009; Yu, Morais, & Chick, 2005). The state of Punjab literally means Punj (five) ab (waters). There were 25,000 travel agents, 300 travel agents were International Air Transport Association approved, 96 agents were approved by Travel Agents Association of India, 18 were registered by Immigration agents accredited by Ministry of Tourism and 25 agents were accredited by Ministry of Labour. Lack of governing body performance appraisal norms in the state is a big constrained for providing efficient services by travel agents. The interactions with the customers of the travel agents revealed that the tourists face problems due to the lack of quality services provided by travel agents. Before the commencement of the research study, none of the study related to travel agents in the state of Punjab was presented in review of literature. Due to this fact, comprehensive study is required for the assessment of travel agents service quality.

REVIEW OF LITERATURE

(Shahin & Janatyan, 2011) emphasised the need to analyze the correlation of service quality gaps. (Hossan, 2012) used SERVQUAL to estimate satisfaction in tourism service quality and affirmed that tourism satisfaction is depend upon goodness of fit between the expectations and perceptions of the consumer. (Jordan, 2012) was comprised to evaluate the impact of service quality on customer satisfaction and revealed that there was significant relationship between reliability service quality dimension, responsiveness service quality dimension, tangibility service quality dimension, empathy service quality dimension and customer satisfaction.(Khan & Tabassum, 2010) measured the customer service quality level to measure the customer satisfaction. (Stickdorn & Zehrer, 2009) reported that customer satisfaction is determined by customer assessment of expectations and perceptions towards the service quality provider. (Mohamed, 2007) purposed to measure the gap between expectations and perceptions of the respondents and found that service quality gap was highest in tangibility dimension of the service quality.(Clemes, Wu, Hu, & Gan, 2009) revealed that behaviour intentions were directly influenced by customer satisfactions and intension to revisit the service provider leads to customer satisfaction among customers. (Kuruuzum & Deniz, 2010) used SERVQUAL scale to determine the impact of service quality on behaviour intentions. Service quality dimensions such as empathy, responsiveness, tangibility, reliability and assurance had more impact on 'loyalty' and 'pays more' dimensions of behaviour intentions. (Pont, 2002) tested five factor behavioural intentions battery as given by (a Parasuraman, Zeithaml, & Berry, 1988) in service sector and emphasise to replication of this study in different areas and settings of service sector. (V. A. Zeithaml, Berry, & Parasuraman, 1996) studied that dimensions of behaviour intentions were influenced by service quality. (A Parasuraman, Zeithaml, & Berry, 1988) constructed the disconfirmation paradigm for measuring quality in services. Expectations – perceptions = Quality. (V. Zeithaml, Bitner, & Gremler, 2006) recognized Gap model (SERVQUAL) as an important tool for the assessment of service quality. (A. Parasuraman, Berry, & Zeithaml, 1993) stressed that formation of perceptions depends upon the interlinking what customer experiences from the services (A Parasuraman, Zeithaml, & Berry, 1988) divided the customer perceptions

into the perceptions of five RATER service quality dimensions. (Grönroos, 2007) empirically tested the components of customer satisfaction and conceptualize satisfaction as the comparison between customer expectations and customer perceptions. (Hossan, 2012; Kouthouris, Alexandris, & Kouthouris, 2005) focused on the concept of customer satisfaction and perceived service quality. (Buttle, 1996; Foster, 1997; Kouthouris et al., 2005; Wu, 2009) argued that degree of customer satisfaction was directly proportional to level of service quality provided to the customer. (Prentice, 2013; Swaroop Debasish & Dey, 2015; Weiermair, 2000; William, Appiah, & Botchway, 2016) investigated the relationship between service quality, perceptions, expectations, behaviour intentions and customer satisfactions by using SERVQUAL model in service construct provided by travel agents sector.

OBJECTIVES OF THE RESEARCH STUDY

1. To conduct an empirical study for determining the service quality gap between expectations and perceptions of customers.
2. To study the relationship between perceived service quality and customer satisfaction.

HYPOTHESES

H1a$_0$: There is no significant difference between overall expectations and overall perception of the customers in the service provided by travel agents in Punjab.

H2a$_0$: Correlation coefficient between perceived service quality and customer satisfaction is not significantly different from 0.

RESEARCH METHODOLOGY

This study employed a descriptive single cross sectional design. The first step was taken to select the travel agents from three different regions of Punjab i.e. Majha, Malwa and Doaba. Secondly, pre-testing of the questionnaire (SAQ) was conducted in Khanna city before the questionnaire was finally distributed to the required sample of respondents. Sample size of 1000 was considered adequate to provide statistical inferences at 95% confidence level interval (Malhotra, Hall, Shaw, & Oppenheim, 2007).

RESULTS & DISCUSSIONS PERTAINING TO RESEARCH OBJECTIVE ONE

This section presents the results for Hypothesis H1a$_0$ in order to achieve Research Objective One. The differences between consumer expectations versus perceptions of actual service delivered by travel agents in Punjab were examined by analyzing the 21 questions regarding expectations of the respondents with the 21 questions measuring perceptions of the respondents. The Gap score was calculated by using the formula (Gap = combined mean of expectations – combined mean of perceptions).

TABLE 1. RANKING OF GAP

Dimensions	Gap	Rank
Responsiveness	0.3980	1
Tangibles	0.3850	2

Empathy	0.3646	3
Reliability	0.3553	4
Assurance	0.2993	5

Gap score of all the 21 questions related to RATER dimensions were positive and sig. value for all the dimensions were less than 0.05 indicated that that the perceptions fails to meet expectations in travel agents case. The overall mean gap of all the 21 items of consumer perceptions and consumer expectations was 0.3604 and clearly indicated that the customers' perceptions of service quality did not match with their expectation. Table 1, revealed that, the highest gap was found in 'responsiveness' dimension (0.3980) of service quality. This huge gap clearly indicated that consumer perceived the lowest from this quality dimension. The poor perception in this dimension was due to the fact that travel agents did not give prompt service to customers (0.5460) and travel agents were not always willing to help customers (0.5330). The second highest gap was found in 'tangibles' dimension (0.3850). In Punjab service providers were not certain about their employees' appearance and uniform (0.3850), equipment (0.3918), and work areas on-site (0.3782). Services can be performed completely as per specifications. Yet customers may not feel provider employees care about them during delivery as shown in empathy gap (0.3646) at rank 3. And this hurts customer's assessments of providers' service quality. They overall average value the reliability dimension (0.3553) was at number 4 in terms of gap because the travel agents do not insist on error free records. Lowest gap was in the 'assurance' dimension. This poor perception was due to the fact that less qualified and low skilled people were offered job in most of the travel agents office.

Paired sample t – test showing the overall gap between overall expectation and overall perception of service quality provided by travel agents in Punjab.

TABLE 2. PAIRED SAMPLES T - TEST

Pair	Paired Differences		t - test for Equality of Means		
overall expectation of travel agents service quality – overall perception of travel agents service quality	Mean Gap	Std. Deviation	t	df	Sig. (2-tailed)
	.36110	.13682	10.319	20	.000***

Note. *** p < 0.05

It was observed from the table 2, paired sample t – test that the gap between overall expectation and overall perception with respect to the service provided by travel agents was statistically significant (t = 12.095 , p < 0.05). Thus null hypothesis $H1a_0$ was rejected. Therefore, it can be concluded with strong evidence that there is significant difference (0.36110) between overall expectations (4.9594) and overall perception (4.5984) of the customers in the service provided by travel agents.

Results & Discussions Pertaining to Research Objective Two:

This section presents the results for hypothesis $H2a_0$ in order to achieve research objective four. To investigate the relationship between the perceived service quality and customer satisfaction, multiple correlation models was run as shown in the table 3.

TABLE 3. CORRELATION MATRIX (PERCEIVED QUALITY AND CUSTOMER SATISFACTION).

		Perceived. Quality	Satisfaction
Perceived. Quality	Pearson Correlation	1	.257**
	Sig. (2-tailed)		.000
	N	1000	1000
Satisfaction	Pearson Correlation	.257	1
	Sig. (2-tailed)	.000	
	N	1000	1000

**correlation is significant at the 0.01 level (2 – tailed)

The correlation table shows a low positive relationship (r = .257) between the predictor variables i.e. perceived service quality and the single dependent variable i.e. the satisfaction. It can be confirmed that overall satisfaction of perceived service quality has low positive relationship with overall satisfaction. Thus correlation coefficient between perceived service quality and customer satisfaction is significantly different from 0. We reject our null hypothesis $H2a_0$. Thus correlation coefficient between perceived service quality and customer satisfaction is significantly different from 0 and exist low positive relationship between perceived service quality and customer satisfaction.

CONTRIBUTIONS OF THE RESEARCH STUDY

Research study made contributions to improving the theoretical understating of the expectations, perceptions and satisfactions of the customers of travel agents. Research study provides more detailed analysis of service gaps between expectations and perceptions of the customers and adds additional information to the existing literature for travel agents, Literature review suggested that the relationship between perceived service quality and customer satisfaction was neglected by the researchers in the case of travel agents. No study was found that was related to the state of Punjab. This research provided more inclusive understandings of the relationship between perceived service quality and customer satisfaction in the state of Punjab.

Limitations of the Study and Scope for Further Research

The area for the research study was very much restricted according to sample size of Majha, Malwa and Doaba. Cost constraint and time constraint did not allow for more extensive collection of the required data. Larger sample may give clearer picture of an assessment of service quality provided by the travel agents in the state of Punjab. Only five RATER service quality dimensions were used in the research, there may be other service quality dimensions that could also be considered in further empirical research studies because role of significant

influence of other factors cannot be ruled out. Many other constructs such as individual attitude or other subjective norms also influenced individual behaviour intentions might be included in the future research studies. IBM SPSS AMOS could be used to fit structural equation models (SEM) for more reflective measurements and path analysis. Due to availability of limited literature on travel agents, may be some aspects and dimensions related to service quality of travel agents have not been identified in the conceptual model as described in the research methodology.

REFERENCES

Buttle, F. (1996). SERVQUAL: review, critique, research agenda. *European Journal of Marketing*, *30*(1), 8–32. https://doi.org/10.1108/03090569610105762

Clemes, M. D., Wu, J. H.-C., Hu, B.-D., & Gan, C. (2009). An empirical study of behavioral intentions in the Taiwan hotel industry. *Innovative Marketing*, *5*(3), 30–50. https://doi.org/10.1108/15982680911021205

Foster, D. (1997). Measuring customer satisfaction in the tourism industry. *The Centre for Management Quality Research*, (Statistics), 1–9.

Grönroos, C. (2007). Service Management and Marketing. *European Journal of Marketing*, *15*, 3–31. https://doi.org/10.1108/EUM0000000004874

Hoffman, K. D., & Bateson, J. E. G. (2011). *Services Marketing: Concepts, Strategies, & Cases*. Retrieved from http://202.74.245.22:8080/xmlui/bitstream/handle/123456789/304/Services Marketing%3A Concepts%2C Strategies%2C %26 Cases?sequence=1

Hossan, J. (2012). Effect of Service Quality on Customer Satisfaction: A Case of Tourism Industry in Bangladesh. *International Journal of Research in Finance and Marketing*, *2 (2)*(2), 1–25.

Jordan, A. A. U.-. (2012). Service Quality and Its Impact on Customer, *8*(12), 364–379.

Khan, P. I., & Tabassum, A. (2010). Service Quality and Customer Satisfaction of the Beauty-Care Service Industry in Dhaka : a Study on High-End Women's Parlors. *The Journal of Business in Developing Nations*, *12*, 1–27. Retrieved from http://www.ewp.rpi.edu/jbdn/jbdnv1202.pdf

Kouthouris, C., Alexandris, K., & Kouthouris, C. (2005). Can service quality predict customer satisfaction and behavioral intentions in the sport tourism industry? An application of the SERVQUAL model in an outdoors setting. *Journal of Sport Tourism*, *10*(2), 101–111. https://doi.org/10.1080/14775080500223165

Kuruuzum, A., & Deniz, K. C. (2010). the Impact of Service Quality on Behavioral Intention in. *International Journal of Business and Management Studies*, *2*(1), 9–15.

Malhotra, N., Hall, J., Shaw, M., & Oppenheim, P. (2007). *Essentials of Marketing Research, An Applied Orientation*. Retrieved from https://books.google.com/books?id=cDLiBAAAQBAJ&pgis=1

Mohamed, G. (2007). Service Quality of Travel Agents: The Viewpoint of Tourist in Egypt. *Tourismos: An International Multidisciplinary Journal of Tourism*, *2*(2729), 63–87. https://doi.org/10.1227/01.NEU.0000349921.14519.2A

Olorunniwo, F., & Hsu, M. K. (2006). A typology analysis of service quality, customer satisfaction and behavioral intentions in mass services. *Managing Service Quality: An International Journal*, *16*(2), 106–123. https://doi.org/10.1108/09604520610650600

Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1993). Research Note : More On Improving Quality Measurement. *Journal of Retailing*, *69*(1), 140–147. https://doi.org/10.1016/S0022-4359(05)80007-7

Parasuraman, a, Zeithaml, V. a, & Berry, L. L. (1988). SERQUAL: A Multiple-Item scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, *64*, 28. https://doi.org/10.1016/S0148-2963(99)00084-3

Pont, M. (2002). Testing the Behavioral-Intentions Battery; a Loyalty Measure, 2901–2907.

Prentice, C. (2013). Service quality perceptions and customer loyalty in casinos. *International Journal of Contemporary Hospitality Management*, *25*(1), 49–64. https://doi.org/10.1108/09596111311290219

Shahin, A., & Janatyan, N. (2011). Estimation of Customer Dissatisfaction Based on Service Quality Gaps by Correlation and Regression Analysis in a Travel Agency. *International Journal of Business and Management*, *6*(3), 99–109. https://doi.org/10.5539/ijbm.v6n3p99

Stickdorn, M., & Zehrer, A. (2009). Service Design in Tourism : Customer Experience Driven Destination Management. *DeThinkingService ReThinkingDesing*, 16.

Swaroop Debasish, S., & Dey, S. (2015). Customer Perceptions of Service Quality Towards Luxury Hotels in Odisha Using Servqual Model. *International Journal of Research in Business Studies and Management International Journal of Research in*, *2*(9), 1–9.

Weiermair, K. (2000). Tourists' perceptions towards and satisfaction with service quality in the cross-cultural service encounter: implications for hospitality and tourism management. *Managing Service Quality: An International Journal*, *10*(6), 397–409. https://doi.org/10.1108/09604520010351220

William, O., Appiah, E. E., & Botchway, E. A. (2016). Assessment of Customer Expectation and Perception of Service Quality Delivery in GHANA Commercial Bank. *Journal of Humanity*, *4*(1), 81–91. https://doi.org/10.14724/jh.v4i1.59

Wu, H.-C. (2009). An Empirical Study of Behavioural Intentions in The Taiwan Hotel Industry. *Lincoln University*.

Yu, A., Morais, D., & Chick, G. (2005). Service quality in tourism: a case study of the 2001 study tour of Taiwan. *Recreation Research Symposium. Gtr-Ne-34*, 318–325. Retrieved from http://www.fs.fed.us/ne/newtown%7B_%7Dsquare/publications/technical%7B_%7Dreports/pdfs /2006/341

Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The Behavioral Consequences of Service Quality. *Journal of Marketing*, *60*(2), 31. https://doi.org/10.2307/1251929

Zeithaml, V., Bitner, M., & Gremler, D. (2006). The gaps model of service quality and its impact on customer satisfaction, 1–13. Retrieved from http://marketing.conference-services.net/resources/327/3554/pdf/AM2013_0321_paper.pdf
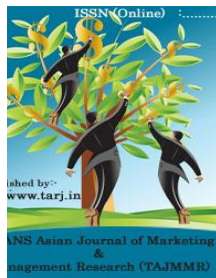
T R A N S A s i a n J o u r n a l o f M a r k e t i n g M a n a g e m e n t R e s e a r c h (TAJMMR)

(Double Blind Refereed & Reviewed International Journal)

ETHICAL DECISION MAKING IN INDIAN BUSINESS SCENARIO

Dr. Suman Pahal *

* Senior Faculty,
School of Business & Entrepreurship,
Footwear Design & Development Institute (FDDI),
Rohtak, INDIA.

ABSTRACT

Ethics are individual concern about right or wrong. It includes one's own moral judgments to think what is right and what is wrong. Every business is dependent upon its employees who take decision on behalf of a business. And every individual is influenced by the culture of company whose main target is to earn profit. They face different types of ethical dilemmas every day. Business ethics is basically the acceptable behavior organizations expect from its employees. Strong ethical decision making is a helpful tool to help organizations to select the best opportunities and to success in long run. Corporate Governance is also helpful for the organizations to take right decision at right time to lower cost of capital, proper utilization of resources and betterment of everyone associated with the organization.

KEYWORDS: *Ethical Decision Making, Corporate Governance*

INTRODUCTION

Society is group of individual sharing a common goal/purpose, interdependent and live together to fulfill certain needs, having a feeling of respect, cooperation, willingness to communicate and take responsibility as when needed. And ethics is how we treat and respect each other in the society. Business Ethics are defined as the defined standards and principles acceptable to conduct the business. These principles and standards are acceptable to the government, customers, employees, shareholders, etc. The society advocates that the business should not only make profit but should consider its social obligations in mind.

Ethical and Social Responsibilities of a business is to have a positive impact on society and minimize the negative impact. There are some types of rules and regulations, code of conduct of ethics that all the business houses must encourage in order to gain competitive advantage, to gain market share and to avoid any illegal and unethical issues in the business. All the employees including management, shareholders have to obey these rules and regulations. Business laws are known as rules and regulations that govern the conduct of business.

Ethics, business ethics, corporate social responsibility, code of conduct, corporate governance act as a compliance system that determine acceptable conduct in business organizations.

Ethical decision -making is an integral part of high -quality care. Tools and resources to support ethically sound decision -making help teams prepare for difficult conversations, and produce better outcomes for all involved . Ethical situations can be hard to identify. They are different from clinical dilemmas, personality conflicts, and other difficult situations, even though they can cause similar emotions. The situations that benefit from the use of an ethical decision-making tool like this one involve disagreements between the values of the people in the situation. These differences become problems if a choice needs to be made about which values are most important. t can also be challenging to know who, in the end, gets to make the final decision. In clinical cases, the choice generally belongs to the patient/resident/client or their family. When a decision belongs to a team, a consensus must be built, often in the context of vastly different (and strong) opinions. Other times, the decision has been made that a team finds difficult. A framework can help to clarify the values and concepts, and to resolve some of the associated moral distress. Occasionally, a tool like this can be helpful for personal decisions. Determining the main decision-maker will clarify the issue, and whose interests the decision most affects.

CODE OF ETHICS

A Code of Ethics is a statement of the norms and beliefs of an organization. Norms are the standards of behavior, expected from everyone in the organization when confronted with a articular situation consisting of ethical dilemmas. The norms of behavior in the Code of Ethics are a series of 'do's and don'ts' detailing the expected standard of behavior from everyone in the organization. These codes are helpful for mental set ups for doing or not doing something. This will help the mind to decide any matter which has ethical value. Code of ethics can generally make an employee of the organization aware of his or her obligation and the moral duties towards the organization. As we have already discussed that ethics have no universal acceptance.

Managers sometimes faced with situations which are ethically ambiguous without any clear-cut ethical guidelines. In India there are some provisions regarding the welfare of the community. But on the part of the business activities there is no such mandatory code of conduct. These deficiencies can be avoided if there is a formal and specific code of ethics. According to the Business Ethics Survey Report India - conducted by KPMG India- Smart Indian companies are increasingly becoming concerned about "The way they do business". They realize that good ethics is good business too. The survey suggested the following five steps to develop Ethical Corporation.

Corporate Governance – Today's Need in Business

Ethics are as important as any other field in business and personal life. It has been a matter of debate and important business topic since the existence of business. Being a part of the society, it is the ethical responsibility of the business to fulfill the ethical needs of the society and for the well being of society. A business can earn loyalty, brand image by fulfilling ethical responsibility in the society. This is what called 'Corporate Social Responsibility'. There are four obligations a business must fulfill. One is called Economic Responsibility where the business requires to make money. Without getting profit, a business cannot think to do something else or to fulfill the needs of society. This is the first need of a business to satisfy the stakeholders who are directly or indirectly attached with a business.

The other most important parts are Legal Responsibility, Ethical Responsibility and Philanthropic Responsibilities. Ethical consideration is very important for a business to success in long run. Unethical business can survive for a very short period, but a firm requires ethical behavior to success in long run. There are number of scams Like Commonwealth Scam, Hawala Scam, 2G Spectrum Scam, Satyam Scam held in India. Consultancy firm Deolitte has said more than half of the business professionals covered in its survey feel that more corporate financial statement frauds will be uncovered in 2010 and 2011 than the last three years (Indian Express, 2010).

There is Corporate Governance System in India. It involves each one who are directly or indirectly associated with it in fulfilling the objectives of the company. Corporate governance is very effective tool as it provide a high degree of confidentiality that is important for Indian economies functionality. This is the responsibility of corporate governance to promote ethics in the organization and among the workforce. As the Board of Directors has the accountability to perform the tasks as per code of conduct, and can transfer it to next level of management. It promotes a sense of belongingness and trust among the investors, board of directors, management, stakeholders and shareholders. Such trust is the corner-stone of efforts to achieve the common goal, whereby the interests of individual operators and other institutions are integrated with others at large.

The first formal corporate governance committee, formed in 1996 and chaired by a leading Indian industrialist, Rahul Bajaj, submitted its recommendations in April 1998. The second committee, also chaired by a leading industrialist, Kumar Mangalam Birla (the Birla Committee), submitted its report in 2000. The third committee, chaired by Naresh Chandra (the Chandra Committee), was constituted in August 2002 to

focus on corporate audit practices. The fourth committee — the Murthy committee, chaired by Narayana Murthy, founder and Chairman of Infosys, one of India's leading software companies — provided recommendations in 2003.

Ethical Decisions Making in Business

Business has always been about ideas that can generate a profit. These ideas are what get a business started, help it survive, grow, and contribute to society. All businesses start with a seed idea that gives them an opportunity to provide value to their customers and they earn a part of this value generated as profit. One of the reason to succeed in long run, a business take ethical decision making. Ethical decision making in business involves all the members of business including stakeholders, management, employees, customers, etc. who has a sense of respect for each other and follow code of conduct in doing business. This is the skill needed for every business to succeed. Ethical decision making is appreciable in every aspect of business. It is a tool to gain competitive advantage, to make good corporate image in the society and to get commitment and dedication from all members of business whether they are shareholders, employees or customers. A business should:

a. Recognize the need of ethical decision making

b. Implementing the various tools for ethical decision making

c. Make a sound ethical decision making

d. And last, evaluate the various pros and cons of ethical decision making

PEAS

There is a proper ethical decision making process that can be followed while running a business. PEAS is a framework for step by step decision making in ethical ways. This is the framework to follow ethical decisions in business, solve various ethical problems in business, and make business powerful and successful.

PEAS stand for "Problem, Evidence, Analysis, Solution". To follow PEAS, first of all a business must identify its business needs. While doing business what is the basic problem a business facing. Problem identification is the first step where the ethical dilemmas occur. Where the business is lacking in ethical issues. So this is the first step to assess the ethical problems in terms of ethical guidelines or code of ethics.

The next step is to find the evidence or the fact. What facts are known to the business and what are hidden? Does the business have all the facts and evidence to take decision? What was the situation when that step was taken and against whom? Such type of questions can be helpful in knowing the evidence for unethical behavior in business. The business can analyse all the facts and then by using these five approaches, a business can get a solution: Utilitarian, rights, fairness or justice, common good, and virtue approaches. Utilitarian is an approach that attempts to do the most good and limit the amount of harm for each individual. A rights approach protects and respects the moral rights of individuals impacted by decisions. The fair or just style seeks to create equality among all individuals while the common good method focuses on bettering

society as a whole. The virtue tactic centers on the ideal virtues necessary for promoting individuals for the company.

It should be kept in mind that there is no universal approach for ethical standards. As the business is this framework on human beings and different people have different viewpoints. Ethical decision making is as much about the process of decision making as it is about your answer to the problem.

CONCLUSION

Business ethics is a good tool to make everyone including shareholders, management, employees and all other stakeholders responsible. Business ethics cannot be created easily it needs a help from every stakeholder to behave ethically in order to gain profit. Everyone should follow legal and ethical issues by taking extra training and to make ethical decision making strong. The managers can take feedback from all the stakeholders to make decisions ethical. The government should be taken into loop and legal responsibilities should be properly fulfilled. The organizations can take advantages of various consultancies, training groups to educate employees in implementing business ethics. With the feedback from all the stakeholders a company can develop an ethical business environment.

REFERENCES

Donaldson, Thomas. "The ethics of international business." (1989)

Pahal, Suman. "Building innovative organizations." *South Asian Journal of Marketing & Management Research* 2.8 (2012): 143-148.

Rajan, Ajay, and Suman Pahal. "The achilles 'Heel of Indian corporate governance system." *ZENITH International Journal of Business Economics & Management Research* 2.7 (2012): 180-190.

Rajan, Ajay K., and Suman Pahal. "Dynamics of corporate frauds in India." *International Journal of Marketing and Management Research* 3.11and12 (2012): 64-78.

Trevino, Linda Klebe. "Ethical decision making in organizations: A person-situation interactionist model." *Academy of management Review* 11.3 (1986): 601-617.

Velasquez, Manuel G., and Manuel Velazquez. *Business ethics: Concepts and cases*. Vol. 111. Upper Saddle River, NJ: Prentice Hall, 2002.

Wood, Jacqueline. "Ethical decision making." *Journal of PeriAnesthesia Nursing* 16.1 (2001): 6-10.

Editorial Board

Review Process

Each research paper/article submitted to the journal is subject to the following reviewing process:

1. Each research paper/article will be initially evaluated by the editor to check the quality of the research article for the journal. The editor may make use of ithenticate/Viper software to examine the originality of research articles received.
2. The articles passed through screening at this level will be forwarded to two referees for blind peer review.
3. At this stage, two referees will carefully review the research article, each of whom will make a recommendation to publish the article in its present form/modify/reject.
4. The review process may take one/two months.
5. In case of acceptance of the article, journal reserves the right of making amendments in the final draft of the research paper to suit the journal's standard and requirement.

Categories

- Business Management
- Marketing
- Finance
- Insurance
- Human Resource & I.T.

Published by

Trans Asian Research Journals

SCO 34, Ist Floor, HUDA Market,
Near Red Cross, Jagadhri - 135 003 (Haryana) INDIA
Website : www.tarj.in